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C O N F I D E N T I A L SECTION 01 OF 03 COLOMBO 000661

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DEPARTMENT FOR SCA/INS
MCC FOR F REID, D NASSIRY AND E BURKE

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TAGS: [PGOV](#) [PREL](#) [PHUM](#) [CE](#)

SUBJECT: SRI LANKA: CRITICISM OF RULING PARTY DEVOLUTION
PROPOSAL MOUNTS

REF: COLOMBO 643

Classified By: Charge d'Affaires James R. Moore, for reasons 1.4(b, d).

11. (C) SUMMARY: Most parties represented in parliament, including several elements of the ruling coalition, have come out publicly or privately against the governing Sri Lankan Freedom Party draft devolution proposals. The Sinhalese nationalist JVP has also attacked the plan, saying it is contrary to the President's anti-federalist 2005 election campaign manifesto, which the JVP accepted when it supported him. The opposition United National party (UNP) is awaiting the return of its leader, Ranil Wickremesinghe, currently traveling in Europe, before taking a definitive position. The prevailing sentiment in the party is that the UNP has little to gain by engaging on basis of the SLFP text, which they regard as incapable of addressing the country's ethnic conflict. Most Tamils believe that district-level devolution has been tried at least twice before in previous decades and found to be inadequate for Sri Lanka. End summary.

OPPOSITION TO SLFP PROPOSALS VIRTUALLY UNANIMOUS

12. (C) The chorus of voices criticizing the governing SLFP's devolution proposals continued. The Sinhalese nationalist JVP denounced the draft as contrary to the President's election manifesto, which was stridently anti-federalist. JVP parliamentary leader Wimal Weerawansa noted, "the proposals refer to a federal form of government which was against the people's mandate.... if the government believes it can resolve the problem by increasing the number of administrative bodies, it will be a joke.. (This) would only help corrupt politicians misappropriate public funds by being part of the system."

13. (C) Sri Lankan Muslim Congress (SLMC) leader Rauff Hakeem told Pol Chief that his party had not yet discussed the proposals, but he personally did not think they could

contribute to a settlement of the ethnic conflict. This would depend mostly on the attitude of moderate Tamil parties, he said, whose spokesmen so far had expressed "deep distress" over the ruling party's draft. Hakeem thought that the proposal to devolve power to the districts would open to the door to manipulation by the central government and could actually help "extend the power of the executive presidency to the periphery." He commented that the SLFP's 2000 proposals were "much better," and called for further discussions within the APRC on the basis of the "Majority Report" of the Experts Committee, rather than the SLFP draft.

THIRD TIME LUCKY?

14. (C) A key member of the SLFP drafting committee (strictly protect) confided to Pol that the President had rejected the work of his committee, which had proposed provincial level devolution. The President then convened a second, smaller working group that excluded this contact and other prominent SLFP moderates. Nevertheless, this working group had also reported out a proposal to devolve power to the Provincial Councils. The third and final draft was the brainchild of Sri Lanka's Chief Justice (known for his extreme and quirky views) and a lawyer close to the JVP. Our source told us the President pushed this third proposal through the party's Central Committee. He believed that his plan for devolution to the provinces commanded much support within the SLFP, but in the end, Central Committee members were unwilling to cast votes against the President. His own draft went down to defeat, 33 to 3, although the President subsequently endorsed several amendments he suggested.

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UNP SENSES A POLITICAL TRAP

15. (C) The principal opposition UNP has yet to take a definitive position on the SLFP concepts, mainly because its leader, Ranil Wickremesinghe, is currently traveling in Europe. UNP delegate to the APRC K. N. Choksy gave an interview to the daily newspaper "Island" in which he reportedly said the principal difference between the two main parties was on the unit of devolution) the province or the district. He turned the President's development argument on its head, saying the district units would be too small to carry out sustainable development, and would tend to fragment the country. Choksy did, however note that the UNP and SLFP were both on record as advocating substantial devolution within one nation. Choksy expressed hope that this consensus on the central issue could help advance the stalled peace process.

16. (C) A senior UNP Member of Parliament we contacted said he had spoken by phone on April 3 to party leader Ranil Wickremesinghe. The MP believed that the newspaper had taken Choksy's comments out of context. What Choksy meant, he said, was that only the UNP and SLFP, working together, could put forward a viable proposal that could command the necessary majority in the South and in Parliament. However, he noted that the UNP had for months insisted that the 2000 proposal by then-President Chandrika Kumaratunga was the minimum benchmark to meet. The SLFP proposals represented a step back even from the status quo under the 13th Amendment and were therefore "a waste of time." He and three UNP working committee members we saw separately all expressed deep skepticism that the SLFP proposals were serious. It appeared to them that the President was simply trying to play the ball back to the UNP. They saw this as an attempt to shift the onus to the UNP for advocating concessions to the LTTE. They made it clear that the UNP was disinclined to fall into this trap.

17. (C) The UNP working committee members we spoke to (protect) were also suspicious of the role the Chief Justice

played in developing the SLFP proposal. They believed that any consensus emerging from political discussion among the parties would probably later be rendered moot by a Supreme Court decision orchestrated by the Chief Justice. They cited numerous precedents for this, noting that the same Supreme Court had ruled -- on grounds that many have found dubious -- that both the Post-Tsunami Operational Management Structure (PTOMS) and the 1989 merger of the North and East Provinces were unconstitutional. They expected the Supreme Court would soon overrule an appeals court decision and declare the 2002 Ceasefire Agreement unconstitutional as well.

THE BASIS OF OBJECTIONS TO THE SLFP PROPOSAL

18. (SBU) The idea of devolution to the district level is not new - proposals for decentralization of power in Sri Lanka along those lines go back nearly fifty years.
-- In 1957, Prime Minister S.W.R.D. Bandaranaike reached a partial agreement with Tamil Federal Party head Chelvanayakam on devolution to the provinces, but the accord soon fell apart over the issue of Tamil language rights.
-- In 1965 Prime Minister Dudley Senanayake and Chelvanayakam agreed on a plan for district councils. This plan was also short-lived and, in the view of most Tamil-speaking people, did not result in any significant autonomy.
-- In 1979, President Jayawardene proposed a system remarkably similar to the present SLFP concept, including District Development Councils (DDCs) with appointed District

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Managers to plan economic development activities. Tamil and Muslim parties in the North and East found the system unworkable because the unit of devolution was too small to be economically viable.
-- As a direct result of the 1987 Indo-Lanka Accord, the 13th amendment to Sri Lanka's Constitution replaced the DDCs with Provincial Councils. This is the status quo that the SLFP proposes to supersede, essentially by turning back the clock to pre-1979.

19. (C) Tamils find this broadly unacceptable, saying that district-level autonomy was been tried at least twice before and found unsatisfactory. Ceylon Workers Congress spokesman Yogarajan, whose party represents "Up-Country" Tamils of Indian origin, said "President Jayawardene introduced the provincial council system because people rejected the district councils in the 1980s. Tamils were not satisfied with them even then. That is why war is going on even today. Now the SLFP has taken a step backward." Even the anti-LTTE Eelam People's Democratic Party, part of the governing coalition, has come out against it. Party spokesman Thavarajah commented: "We are very clear that any devolution package should be based on the provinces proposal. Also, we are in favor of the Northeast merger."

110. Dr. K. Vigneswaran, a member of the APRC Experts Committee, told us that Tamils do not believe that devolving powers to the district level will meet their aspirations. The concept of the merged Northeast Province speaks to their need for security and for proper representation, he said. Tamils fear that the Districts, whose heads are to be appointed by the President, will be subject to manipulation by the central government. Tamils believe that "colonization" of their traditional areas by Sinhalese would accelerate. Further, Vigneswaran argued, the SLFP proposal removes the powers of police, land and irrigation from the provinces, but replaces them with nothing. He asserted that reserving the security, land and water portfolios to the central government leaves it unclear what is left to be devolved to the districts.

111. (C) COMMENT: The UNP, moderate Tamil and Muslim parties, and "crossovers" to the government such as G. L. Peiris all argue that the final devolution "package" must lie somewhere between the existing structures of the 13th amendment and the

LTTE's 2003 proposal for an Interim Self-Governing Authority.

The SLFP proposal, for all of these players, is simply not on the playing field. APRC chair Vitharana (himself the chair of a small left-wing party) and SLFP figures such as Health Minister and peace negotiator Nimal DeSilva have emphasized that the SLFP draft is not the governing party's final word. However, a basic analysis of the various proposals now in play shows that the SLFP draft is the outlier, and has little in common with the others. The UNP has promised to engage seriously on devolution provided the SLFP put a credible proposal on the table. Our discussions with UNP interlocutors indicate they do not see a way forward based on the current SLFP draft. The two main parties continue to be wary of each other, and it will be difficult for them to cooperate on this crucial issue as long as each suspects the other of seeking a partisan advantage. It remains true that any proposal which does not have the backing of the two main Southern parties will fail to reach the critical mass needed to move forward. Similarly, any proposal that is completely out of bounds for the great majority of Sri Lanka's Tamils will not hold the potential to help resolve the decades-old ethnic conflict.

MOORE